

## **FISCAL NOTE**

### **SB 1215 - HB 1363**

April 3, 2007

**SUMMARY OF BILL:** Requires the Bureau of TennCare to develop and implement a plan which uses medical assistance funds for matching premiums paid by small businesses for group health insurance policies.

#### **ESTIMATED FISCAL IMPACT:**

**Increase State Expenditures – \$4,667,100 Recurring  
\$57,100 One-Time**

**Other Fiscal Impact – Increase Federal Expenditures–\$7,406,100 Recurring  
\$57,100 One-Time**

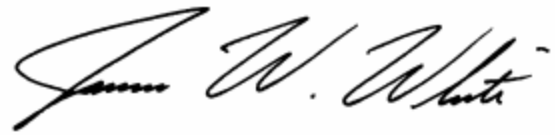
#### Assumptions:

- The Bureau of TennCare will need an Administrative Services Assistant 5 and a Managed Care Manager 2 to plan, develop and negotiate the initial waiver with CMS and administer the program after implementation.
- The Bureau will also need an Information Systems Analyst 3 to oversee necessary system changes and manage the data information system necessary to operate the program.
- The additional positions are estimated to increase recurring expenditures by \$173,257 which includes salaries and benefits (\$168,307), office supplies (\$750), and communications (\$4,200). There will be an increase in one-time expenditures of \$14,100 for landscaping (\$8,100) and computers (\$6,000).
- There will be a one-time increase in expenditures of \$100,000 for modifications to the existing computer system.
- Annual administrative charges are estimated to increase expenditures by \$1,900,000.
- The total recurring administrative expenditures for implementation and administration of the program are \$2,073,257. Of this amount, \$1,036,629 will be state funds and \$1,036,629 will be federal funds at a 50% match rate.
- The total one-time administrative expenditures are \$114,100. Of this amount, \$57,050 will be state funds and \$57,050 will be federal funds at a 50% match rate.

- There will be recurring program costs which would exceed \$10,000,000 annually. Of this amount, \$3,630,500 will be state funds and \$6,369,500 will be federal funds at a 63.695% match rate.

**CERTIFICATION:**

This is to duly certify that the information contained herein is true and correct to the best of my knowledge.

A handwritten signature in black ink, reading "James W. White". The signature is written in a cursive style with a large, stylized "J" and "W".

James W. White, Executive Director